



July 18, 2007

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JOYCE CROSTHWAITE
Executive Officer

TO: Local Agency Formation Commission

FROM: Executive Officer
Assistant Executive Officer

SUBJECT: Proposed Rossmoor Incorporation – Application Fee Deposit

BACKGROUND

Over the past six months, LAFCO staff has met periodically with representatives from the Rossmoor Community Services District (CSD) regarding filing an application for incorporation for the unincorporated community of Rossmoor. Rossmoor is a predominantly residential community of approximately 11,700 residents located between the cities of Los Alamitos and Seal Beach in northwest Orange County. The community is currently located within the Los Alamitos sphere of influence.

An incorporation can be initiated in two ways: (1) adoption of an initiating resolution by an affected agency; or (2) submittal of a petition signed by at least 25 percent of the registered voters residing within the proposed incorporation boundary. Our understanding is that the Rossmoor CSD, an affected agency, has already adopted an initiating resolution for incorporation and is contemplating filing an incorporation application with LAFCO in late July or August of 2007.

The LAFCO fee schedule (Attachment 1) requires an initial deposit of \$8,300 but also permits the Executive Officer to require an additional amount from applicants to cover actual costs for review and processing of any application which is determined to be "extraordinary in scope." Staff believes that the incorporation proposal meets this criterion. An integral part of the incorporation application will be a comprehensive fiscal analysis (CFA) to help determine if the proposed city is fiscally viable. Although LAFCO staff will select the consultant to prepare the CFA and the study will be a LAFCO study, consultant costs are the sole responsibility of the applicant.

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RE: *Rossmoor Incorporation Deposit*

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Staff is requesting that the applicant provide a \$100,000 deposit upon filing their incorporation application to cover the extraordinary processing costs associated with this application. Staff estimates that a CFA will cost approximately \$75,000. It is anticipated that LAFCO staff and legal counsel costs for this project will likely exceed \$25,000. Should expenses exceed the deposit, staff will request additional funds from the applicant in order to continue processing the project.

In the past, your Commission has requested that applicants filing for incorporation place additional funds that exceed our standard LAFCO fees on deposit with the agency. This was done not only to cover agency and consultant costs but also to demonstrate a commitment on behalf of the applicant and the community to the incorporation process. Additionally, the requested \$100,000 deposit is in line with other LAFCOs throughout the state that are currently processing incorporations.

The incorporation proponents have indicated that they would like to have the incorporation proposal considered by the Commission no later than June or July of 2008. Because of the complex processing and procedural requirements required for incorporation proposals, it will be necessary for the incorporation application to be filed no later than August 13, 2007 to meet that hearing date. Staff is committed to the timely processing of this project, but it should be noted that filing the application on or before August 13, 2007 does not *guarantee* that the incorporation proposal will reach hearing in June or July of 2008. In any incorporation, there are often unforeseen circumstances that could potentially delay the process.

RECOMMENDATIONS

Staff recommends that the Commission:

1. Authorize the Executive Officer to require a \$100,000 deposit upon filing an application for the incorporation of Rossmoor.
2. Require the proponents to file an incorporation application and deposit on or before August 13, 2007 if they are seeking a July 2008 LAFCO hearing date.

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RE: Rossmoor Incorporation Deposit

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Respectfully submitted,


JOYCE CROSTHWAITE


BOB ALDRICH